REMARKS

The specification has been amended as indicated above. Claims 1 and 3-40 are pending in this application. Claim 1 is independent and claim 2 is canceled. Claims 1, 4-8, 25-29 and 40 are amended. In light of the above amendments and below remarks, favorable reconsideration and allowance of the present application are respectfully requested.

Drawings

Applicants appreciate the Examiner's acceptance of the formal drawings submitted on April 27, 2007 in response to the previous Office Action.

Specification

The disclosure is objected to because of informalities, specifically the lack of a brief and a detailed description of FIG. 5. Applicants appreciate the Examiner's identification of these informalities and present two paragraphs for insertion into the specification. These paragraphs are fully supported by the disclosure and no new matter is introduced. Therefore, Applicants respectfully request withdrawal of the objections.

Rejections under 35 U.S.C. § 102 - Levedahl

Claims 1 and 3 stand rejected under 35 U.S.C. § 102(b) as being anticipated by U.S. Patent No. 5,417,597 ("Levedahl"). This rejection is respectfully traversed.

Levedahl allegedly teaches a vessel having main machinery modules located outside of a watertight tumble home hull. (Levedahl, col. 3, lines 47-49). The vessel further includes a deckhouse and a plurality of removable propulsion modules, and the propulsion modules are said to comprise at least one steerable propulsor modules and at least one power module. (Levedahl, col. 3, line 67 – col. 4, line 15).

Applicants submit that nothing in *Levedahl* teaches or suggests "a propulsion segment including a combination of a POD propulsion segment in the form of a completely electrical lightweight POD propulsion system, having a power of up to 8 MW, and two waterjet propulsion segments in the form of twin waterjet propulsion systems, having a power of up to 16 MW," as recited by amended claim 1. Applicants also acknowledge that the Examiner previously indicated this limitation contained allowable subject matter.

For at least these reasons, Applicants respectfully request the rejection of claim 1 be withdrawn. Also, Applicants request the rejection of claim 3 be withdrawn as well, at least by virtue of its dependency upon amended claim 1.

Rejections Under 35 U.S.C. § 103 – Levedahl in view of WO 132

Claims 18 and 39 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over *Levedahl* in view of PCT Publication No. WO 02/057132 ("WO 132"). This rejection is respectfully traversed.

With respect to claim 18, the Examiner relies on WO 132 to allegedly cure the failure of Levedahl to teach that "the internal combustion engines for the first electrical system are gas turbines" as recited by claim 18. (Office Action, page 3). WO 132 allegedly teaches a fast military surface craft including at least two electric rudder propeller drives, which are said to be powered by fuel cells. WO 132 is said to further teach two electric hydrojets with underwater exit nozzles, and the electric hydrojets are allegedly powered by generators. (WO 132, Abstract). With respect to claim 39, the Examiner allegedly relies upon WO 132 to teach a lateral thruster and asserts that this suggests a "a propulsion segment includes a 0.3 MW bow jet thruster" as recited by claim 39. (Office Action, pages 3-4).

Applicants submit that nothing in WO 132 cures the failure of Levedahl to teach or suggest "a propulsion segment including a combination of a POD propulsion segment in the form of a completely electrical lightweight POD propulsion system, having a power of up to 8 MW, and two waterjet propulsion segments in the form of twin waterjet propulsion systems, having a power of up to 16 MW" as recited by the amended claim 1. Applicants also acknowledge that the Examiner previously indicated this limitation contained allowable subject matter.

Therefore, at least by virtue of their dependency upon amended claim 1, Applicants request the rejection of claims 18 and 39 be withdrawn.

Allowable Subject Matter

Applicants note with appreciation the Examiner's indication that claims 2, 4-17, 19-38, and 40 contain allowable subject matter.

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CONCLUSION

In view of the above remarks and amendments, Applicants respectfully submit that each of the rejections has been addressed and overcome, placing the present application in condition for allowance. A notice to that effect is respectfully requested. If the Examiner believes that personal communication will expedite prosecution of this application, the Examiner is invited to contact the undersigned.

Should there be any outstanding matters that need to be resolved in the present application, the Examiner is respectfully requested to contact Donald J. Daley at the telephone number of the undersigned below.

If necessary, the Commissioner is hereby authorized in this, concurrent, and future replies, to charge payment or credit any overpayment to Deposit Account No. 08-0750 for any additional fees required under 37 C.F.R. § 1.16 or under 37 C.F.R. § 1.17; particularly, extension of time fees.

Respectfully submitted,
HARNESS, DICKEY, & PIERCE, P.L.C.

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